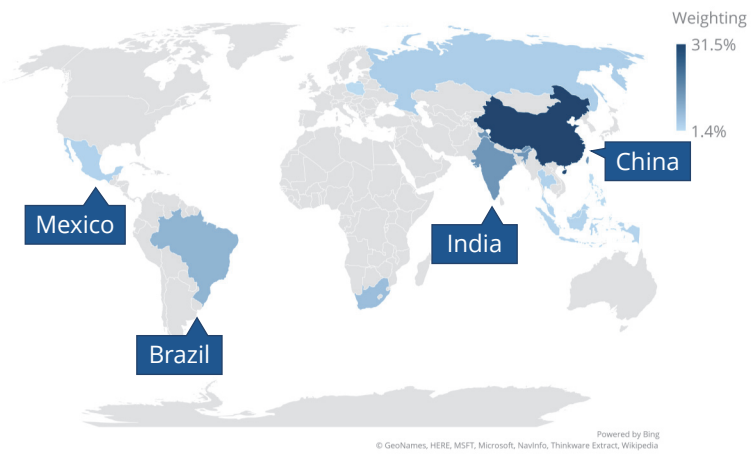
Emerging Markets Valuation

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Emerging Market Countries

Country	Weight
China	31.5%
India	14.3%
Taiwan	13.6%
Brazil	8.6%
South Africa	6.9%
Russia	4.1%
Thailand	3.1%
Mexico	3.0%
Malaysia	2.9%
Indonesia	2.7%
Philippines	1.4%
Poland	1.4%
Chile	1.3%
Qatar	1.2%
Turkey	0.9%
United Arab Emirates	0.8%
Colombia	0.5%
Peru	0.5%
Greece	0.4%
Hungary	0.3%
Egypt	0.2%
Pakistan	0.2%
Czech Republic	0.2%



Source: S&P Global

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How are Emerging Markets Defined

Markets that are considered to be in transition to higher levels of economic development and industrialization

They differ from Developed Markets in several ways

- Low Household incomes
- Economic reforms
- Structure changes
- Capital Markets are less mature

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How are Emerging Markets Defined

	Population (millions)	GDP (billions)	Income per Person	Share of World Population	Share of World GDP
U.S.	312	$14,527	$46,900	5%	21%
Canada	34	$1,737	$50,436	0%	2%
Germany	82	$3,577	$43,742	1%	5%
Japan	128	$5,869	$45,920	2%	8%
S. Korea	49	$1,116	$22,778	1%	2%
Brazil	195	$2,493	$12,789	3%	4%
China	1,348	$7,298	$5,414	20%	10%
India	1,207	$1,676	$1,207	18%	2%

Source: IMF-WEO Database, April 2012, United Nations. 2011 GDP and income per person (GDP per capita), 2010 world population.

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Growth

Emerging economies are expected to grow an impressive over three times faster than developed nations (Source: IMF estimates)

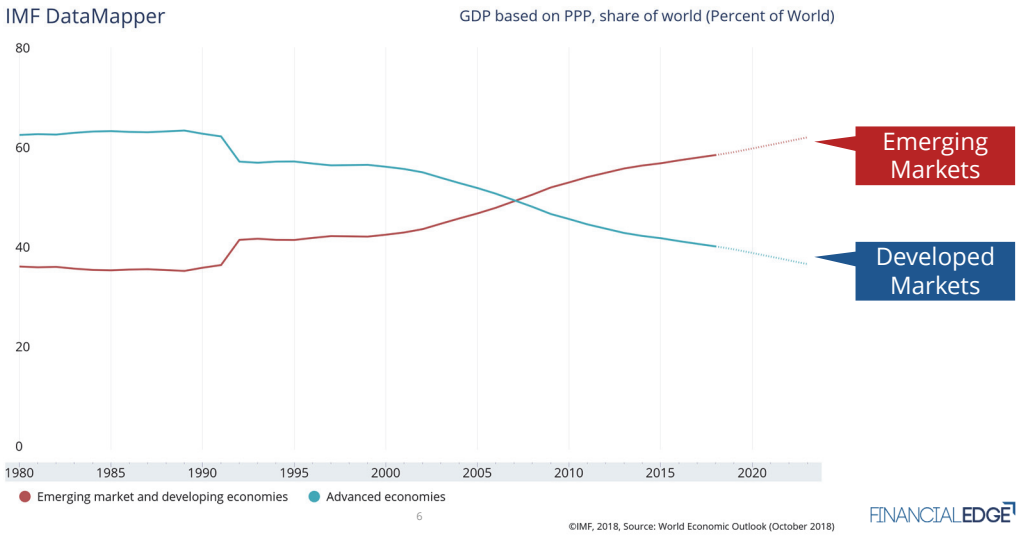
What drives growth?

- Young working-age populations
- Growing household income
- High export levels
- Natural resources
- Others: Low debt; Fiscal Policy

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Growth of Emerging Markets



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Emerging Market Risks

Volatility	Much higher than developed markets
Liquidity Risk	Less liquid than developed markets
Political Risk	Governments less stable
Financial Risk	Inflation has been a problem

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Emerging Market Risks

Currency Risk	Currency is more volatile
Regulation Risk	Less regulatory oversight
Higher Costs	Higher expense ratios and trading costs

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